



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Director of Children and Family Services

At its meeting held July 22, 2003, the Board took the following action:

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Dr. David Sanders, Director of Children and Family Services, and John Oppenheim, Chief Deputy Director of Children and Family Services made a verbal presentation to the Board and provided the attached memo regarding issues relating to the Department's contracts with Foster Family Agencies (FFAs) for the placement of children who are the victims of abuse and neglect and who require specialized services.

Supervisor Antonovich made the following statement:

"The Auditor-Controller conducts annual program audits of all contracts between the Department of Children and Family Services (DCFS) and group homes, including fiscal audits of selected homes. The Auditor-Controller also conducts fiscal audits of selected foster family agencies. The purpose of the audits is to ensure that group homes and foster family agencies have complied with the terms of the contract and are appropriately spending foster care funds on allowable and reasonable expenditures.

"The Auditor-Controller found that many of the agencies were spending the foster care funds on unreasonable expenditures or expenditures that were not allowed because they were not program related or not supported by adequate documentation. The Director of Children and Family Services is responsible for resolving the questionable expenditures and, if appropriate, collecting all disallowed expenditures. Since January 2000, the Auditor Controller has audited approximately 10 group homes and 12 foster family agencies. The Auditor-Controller identified approximately \$5.6 million in unallowable and questioned costs that were supposed to be collected and/or resolved by DCFS as a result of the findings contained in the audits.

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“In light of today’s budget shortfalls, it is imperative that we pursue all outstanding debt and make an aggressive attempt to collect the debt owed to us by group homes and foster family agencies.”

After discussion, on motion of Supervisor Antonovich, seconded by Supervisor Yaroslavsky, unanimously carried, the Board took the following actions:

1. Instructed the Director of Children and Family Services to report back to the Board within 30 days with the following information:
 - a. The total amount owed by each group home or foster family agency due to questionable or unallowable expenditures;
 - b. The efforts made to collect the outstanding debt;
 - c. The barriers preventing the collection of the full amount; and
 - d. The feasibility of closing the agencies if debt is not paid in full; and
2. Instructed the Director of Children and Family Services to convene a workgroup consisting of representatives from the Chief Administrative Office, Auditor-Controller, Treasurer and Tax Collector and County Counsel, to assist with the development of creative strategies to collect the outstanding debt owed by group homes and foster family agencies.

Bruce Saltzer, representing the Association of Community Human Service Agencies, Alex Morales, representing the Children’s Bureau and Sylvia Fogelman, representing the Southern California Foster Family Adoption Agency addressed the Board.

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After further discussion, on motion of Supervisor Molina, seconded by Supervisor Antonovich, unanimously carried, the Director of Children and Family Services was instructed to:

1. Move forward with the preparation of a Request for Proposal/Request for Qualifications to solicit Foster Family Agencies' services consistent with the County's final version of the contract language, if the FFA representatives fail to agree with the final version language; and
2. Return to the Board, if necessary, to extend the existing Foster Family Agencies' contracts.

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Attachment

Copies distributed:

Each Supervisor
Chief Administrative Officer
County Counsel
Auditor-Controller
Treasurer and Tax Collector



DAVID SANDERS, Ph.D.
Director

County of Los Angeles

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

July 22, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Don Knabe, Chair Pro Tem
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

Board of Supervisors
GLORIA MOLINA
First District
YVONNE BRATHWAITE BURKE
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

From: David Sanders, Ph.D.
Director

FFA CONTRACT NEGOTIATIONS

On July 21, 2003, Department staff met with representatives from the FFA negotiating council to receive their proposed language modifications to our letter of July 17, 2003 that outlined our position on a number of outstanding issues.

Initially, their proposed changes appeared inconsequential but upon more thorough review by the County Counsel and Auditor-Controller, it is their advice is to reject the proposed changes. The FFA representatives have been so notified.

We have not yet received the FFAs formal response to our rejection of their proposed changes. We will continue to work with the FFA representatives to obtain their agreement to our position.

The Department is in the process of preparing a Request for Proposal/Request for Qualifications (RFP/RFQ) to solicit FFA services consistent with our final version of the contract language. We expect to release the RFP/RFQ on or before August 12, 2003. If the FFA representatives agree to our final contract language before the RFP/RFQ is released, it will be canceled.

To allow time to complete the RFP/RFQ process, it will be necessary for the Department to request from your Board an extension of the existing FFA contracts, which are set to expire on August 31, 2003.

Please call me if you have any questions or your staff may call Helen Berberian, Board Relations Manager at (213) 351-5530.

DS:JEO:vm

c: Auditor-Controller
County Counsel